

SHELLY FINKEL MANAGEMENT

PERSONAL STATEMENT BEFORE THE UNITED STATES SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION THURSDAY, JULY 23, 1998

Good morning, my name is Shelly Finkel and I am a professional boxing manager. During the past fifteen years I have managed more world champions than anyone else, including such familiar athletes as Evander Holyfield, Peernell Whitaker, Mark Breland, and now Mike Tyson.

I consider myself a credible member of the boxing industry and, like you and millions of sports fans, am becoming increasingly disillusioned with boxing's lack of integrity and structure. Accordingly, I am here today to express my enthusiastic support for The Muhammad Ali Boxing Reform Act. This important bill represents a bold and important step in eliminating many of the cancers which have plagued the sport for years. Not since the International Boxing Club litigation brought by the government more than forty years ago has there been such a welcome attempt to create sweeping comprehensive reforms in boxing.

As one of the boxing community, as a boxing fan, and as a member of the general public I wish to express my gratitude to The United States Committee on Commerce, Science and Transportation, and especially Senator John McCain, Chairman for addressing many long, overlooked abuses of the sport and inviting me to make these brief remarks today.

I am aware of no other sport which operates quite the same way as boxing does. Rules are different from state to state, even though, in reality, there appears to be little real regulation. The various competing world sanctioning organizations are private bodies which have often come wider public and private criticism for acting in an arbitrary, baseless, partial manner, often in clear violation of its own rules. Such actions have included irrational ratings and forced mismatches. The only conceivable explanation for many of these unreasonable actions is that they consistently strengthen a particular promoter's stranglehold over a division or divisions within the sport.

I often see champions fighting a "number one challenger" and question who this

challenger is, where he's from, and why I have no knowledge of who he is. If I, as a professional in this sport, am bewildered, what must the average fan be thinking? We owe these athletes a better system one that's fair and equitable and gives each boxer an opportunity to advance on a level playing field.

Through the use of multiple option contracts boxing promoters obtain options on a given number of title defense bouts at the time a boxer is given a chance to challenge for the championship of his weight division. Through such contracts, a promoter can often tie up a boxer for the entire time he is champion - the most lucrative, and usually the only lucrative, part of the boxer's career. Can you imagine a scenario where the Utah Jazz would not be allowed to play the Chicago Bulls for the NBA Championship unless the owner of the Utah Jazz gave Jerry Reinsdorf ownership in his team? Never! But in boxing this is the ordinary course of business

Because many boxers are from underprivileged backgrounds, they are often under-represented in their dealings with promoters and vulnerable to abuses unheard of in just about any other industry. I am aware of open-ended contracts offered by promoters and signed by fighters containing blank spaces to be filled in later. I know of instances where fighters' managers are mere instruments of the promoter and, so, there is no arms length bargaining to protect the fighters' basic business interest. Even at the very lofty peaks of the sport I have seen instances where a promoter makes significantly more money, sometimes multiples more, than the star attraction whom the promoter has under contract.

It is commonplace and absurd for boxers to enter into promotional agreements containing no minimum bout obligation. When the unfortunate, inactive boxer registers his complaint to the promoter he is often frozen out of earning a living. Moreover, he is unable to legally void the promotional contract because it would be financially impractical for a struggling boxer to initiate a civil legal action.

I think I speak for all of us who have followed the sport or who have recently become familiar with it, when I say that there are just too many world boxing organizations. The proliferation of these sanctioning bodies has created literally hundreds of world titles in dozens of divisions. This is confusing to the public and generally dilutes the value of a "world title" to the point where it has become relatively insignificant. When I was growing up, there were eight weight divisions and only one champion in each division. Not even the most ardent sports fans today can tell you who the heavyweight champions are in each of the many organizations. Indeed, because of conflicts of interest within the sport, the most recognizable heavyweight champions, Evander Holyfield and Lennox Lewis, may never get to meet in a unification bout.

Most of the foregoing concerns are addressed in some manner by your proposed

Reform Act. Indeed, the Bill goes much deeper and, as a result, I believe you are about to accomplish what many thought impossible - real reform of unprincipled dealings in professional boxing policed by State Attorneys General.

I was told to keep my remarks brief and so, I will. In closing, I would like the committee to know that I am available to support your efforts in any and all ways. I am confident that your Bill will go a long way toward ending the exploitation of young athletes by unscrupulous businessmen and organizations.

Thank you,

Shelly Finkel